

**MINUTES OF A SPECIAL MEETING OF THE COMMON COUNCIL  
OF THE CITY OF JASPER, INDIANA  
JUNE 4, 2013**

A special meeting of the Common Council of the City of Jasper, Indiana, was held on Tuesday, June 4, 2013 in the Council Chambers of City Hall located at 610 Main Street.

**Call to order.**

Due to the absence of Mayor Terry Seitz, President Pro Tempore Thomas Schmidt served as presiding officer and called the meeting to order at 12:00 p.m.

**Roll Call.**

Clerk-Treasurer Juanita S. Boehm called the roll.

Mayor Terry Seitz	Absent
Council members:	
Gregory Schnarr	Present
David Prectel	Present
Thomas Schmidt	Present
Earl Schmitt	Present
Kevin Manley	Present
Randall Buchta	Present
Raymond Howard	Absent
City Attorney Renee Kabrick	Present
Clerk-Treasurer Juanita S. Boehm	Present

Clerk-Treasurer Boehm announced that in order to have a quorum for the meeting, a majority of the council members must be in attendance. Six of the seven council members were in attendance, which is a majority; therefore, there was a quorum for the special meeting.

**Pledge of Allegiance.** Thomas Schmidt invited all present to join him in reciting the Pledge of Allegiance.

**Purpose.** The purpose of the special meeting was to consider the purchase of real property from Chris Peters.

City Attorney Renee Kabrick said as of this morning she spoke with Bill Kaiser, counsel for ROJAC, and he gave me some additional information that is probably pertinent to your discussion. Kaiser said that as of last week ROJAC did enter into a purchase agreement of the property with Chris Peters. Kabrick said, it is my understanding from our discussion that the purchase price remains the same, that ROJAC will be, I presume, getting a purchase, and advance on their line of credit, to submit a portion of that purchase price. The purchase agreement includes a contingency that makes the sale contingent upon approval by the City Council of Jasper to provide a contribution to that purchase price. So, essentially, what the Council would be looking at is a contribution in the amount of \$100,000 to be used by ROJAC towards the purchase of that property. The provisions that we talked about ROJAC would be responsible for the environmental survey. That

is one of the terms of the purchase agreement. Peters did agree to proceed with a survey. So as far as I understand it, an outside survey will be coming in to prepare a legal description for the property and that should be completed by June 14<sup>th</sup>.

Kabrick then asked if the council members had any questions. Council member Gregory Schnarr asked if the property taxes would be squared away. Kabrick said yes, just as any other purchase, the prorated share would be paid by the seller of the property. Council member Thomas Schmidt asked if they said anything about tearing the buildings down and tearing the concrete out. Kabrick responded I believe that the sale of the property is 'As Is'. Schmidt asked if we would be responsible for tearing the building down or ROJAC. Kabrick said I don't know what the status is. I know that Mr. Buehler had indicated that he thought he may have someone interested in that property and that they may come and take the building off the property. In exchange for getting that building, I think the idea was that they would then take the concrete pad off so that the property would be basically clean except for possibly the restroom. Council member Kevin Manley said right and that would be our decision whether we wanted to keep that or take it out.

Schmidt asked if there was anything from the Council. Council member Gregory Schnarr asked Kabrick, as far as the contingency, discussing about the City wanting to participate or contribute, is that a lump sum, is that over time, or is that up to us. Kabrick said I believe the idea was that would be a lump sum but the bottom line is that they wanted approval for that sum by the Council. Council member David Prechtel asked at this point they are asking for \$100,000, is that correct? Kabrick said yes, from the Council. Schmidt then asked what account that would come out of. Clerk-Treasurer Juanita Boehm said they had discussed using the River Boat Fund but there is no appropriation so we would have to go through that process.

Schmidt then asked each council member for his comments.

Council member Kevin Manley said he would like to at least throw this out for consideration. I'm a member of the ROJAC board as well as a member of the City Council so I wear both hats. This property is the Gateway to our southeast side of our city and we have a lot of investment that ROJAC has made over the years for the property in enhancing the Train Depot and the Mill and the River Walk and all that. So, there are plans to enhance that property even more as we go forward. We have a local business that has made a major contribution to the GAB Boulevard that is there. That's gonna be a thing of beauty! I think when that's completed and this property is adjacent to that, it joins right up to that particular property. I have personal concerns about not contributing enough to this because when I look at ROJAC, I think of ROJAC as an organization that has been enhancing that area down there and actually taking the lead and making those things happen that beautifies the area. It's an economic development area and I think we're gonna get some excellent feedback from CityVisions, when after all the feedback they've taken from everybody, when that comes to fruition in the next few months. But I had some concerns about ROJAC, the amount of money

that they would be spending to buy the property because these are ROJAC members, are members of our community that are just contributing money back into our community to enhance our community and I believe it should be the City's responsibility to buy the land and the reason for that is, any buildings, any type of improvements that are made to that property, I would support ROJAC, being a part of that. That's what they've really done down in that area. The debt that they will have to incur in order to do this, it's a large amount of money and I think we have the money in our River Boat Fund. We have over \$800,000 in that particular fund. They initially asked for \$100,000 but I would like to see that doubled at least, up to that level so that the burden wouldn't be on our citizens. But it's an important thing for our city. It's very important for what we are trying to develop down there and I think that we should consider taking up a large role than even what they asked for because we have the funds available and those funds should be used for economic development and that fits right into our plan for the future down in that area. So, I wanted to throw that up for discussion and would like to know others opinions about that as well.

Council member Randall Buchta said I kind of agree with Kevin because strapping them with another \$100,000 worth of debt would really be strained what they can do. They got a lot of good ideas what they want to do down there and I feel if we could do, up that to \$200,000, that we could give them a quick jump start on getting a lot of that stuff done. So, I kind of agree with you Kevin. I think with that River Boat Fund money, I think that would be money well spent, putting towards that and helping ROJAC out.

Council member Earl Schmitt said, I had mixed emotions. If ROJAC'S going to take the lead role on it, I have no problem with taking money out of the Casino Fund up to \$200,000. I know some people think it's too much, we all think it's too much, but we have to move forward and I guess this is the best way we can do it and get it over with.

Council member David Prechtel said well, I agree with all they've said. ROJAC has made a great investment in Jasper's Economic Development and all my constituents, everyone I've talked to think we should buy it. A few agree that it's too much but sometimes you have to pay a premium for things like this. So, I'm for this too. This, and again, the Casino money, it should be used for economic development so I would be for contributing \$200,000 to this.

Council member Gregory Schnarr asked if there are any contingencies or restrictions on the River Boat Fund. Clerk-Treasurer Boehm said when the ordinance was established it said the Fund was for any governmental purpose. So there would be no restrictions.

Council member Thomas Schmidt said well, I think it's a vital piece of property to get it and develop more down there for the city, what's going on now with what ROJAC has done. So, I feel that we can do the \$200,000. I have no problem.

Schmidt then asked if anybody from the public would like to speak about it.

City Attorney Renee Kabrick said I ought to comment. I would have to look into how we can structure this. As you know, if the City purchases the property, then we have to undergo two appraisals and then the City is limited to pay the average of those two appraisals. I honestly don't know if ROJAC could purchase the property knowing that they would be contributing \$50,000 and I don't know if that ratio of what the City is contributing would change how that transaction is occurring. I would just have to check into if it is viewed as though the City is trying to avoid the appraisal process by allowing ROJAC to be called the purchaser in name sake only but we are actually contributing whatever that percentage would be, 80% of the purchase price. I don't know if that would change the way the transaction would have to be structured and I would have to look into that.

Council member Gregory Schnarr asked if there are any limitations based upon the \$100,000 figure that's being used. Kabrick said, no.

Council member Kevin Manley said well, I guess my question on that one is, I don't understand why \$100,000 would be different than \$200,000 because ROJAC is turning that property back over to the City as soon as it's developed. Kabrick responded, Kevin, I really don't know the answer to the question. I just have to pose that to you. I would want to contact State Board of Accounts and look at the agreement that we have and just make sure that everything that we're doing is in compliance with all the rules. I'm not saying it's not but I would just, whatever you decide, I would want that to be contingent upon us determining that we are in compliance with all the rules.

Council member Randall Buchta said when we get this back too, it's going to be worth more than what we give them, because they're going to make improvements on this property before it gets turned over to the City so, it would definitely be worth a lot more money than what we're going to give to them.

Council member Manley asked Clerk-Treasurer Boehm if she saw any issues. Boehm said she agrees with Renee. Now you are discussing \$200,000, it just kind of threw up some flags. There are laws and processes on how you buy land and you can't pay more than the average of two appraisals. I know Renee did contact State Board of Accounts. Now all of a sudden when we're funding a major portion and our share is far greater, does it look like we're circumventing the rules. I agree with Renee. It needs to be checked out. If we're giving them most of the money to buy it then why don't we just go buy it and follow the rules.

Manley asked how we did a service agreement with ROJAC in the past. How did they turn over the Train Depot and the Mill? They cost a lot more money than what we're talking about here.

Kabrick said the current agreement is from 2004 and it didn't speak to any monetary contribution by the City other than giving the City discretion to contribute money to ROJAC. For example, if the Train Depot is rented and the City obtains funds from that rental, the city has the discretion to contribute a portion of that rental back to ROJAC. That's what the current agreement says.

That agreement, it is my opinion, can be revised to accommodate this transaction or at least I had checked with the State Board of Accounts when we were talking about \$100,000. That would be one of the things that I would check but the other thing that is different, for those past projects the City's contribution was more in-kind than it was cash. The City contributed to installation of parking lots and installation of utilities and those kinds of things but didn't write a check, per say, and turn that over to ROJAC. So, that also is a difference in this case, compared to the other cases.

Council member Earl Schmitt asked if it made a difference if we gave them \$100,000 and make contributions over the next five years or so. Kabrick said she didn't know. That may be viewed differently but, again, the numbers are what we need to determine. Schmitt said I feel like we should go with what you're sure of right now, with the \$100,000.

Kabrick said I think if the Council is of a mind to contribute \$200,000, then I would suggest that you approve contributions up to \$200,000 and authorize me to research and determine what the best mechanism is to accomplish your ultimate goal.

Council member Gregory Schnarr said I'm inclined to agree with the \$100,000 offer. What ROJAC does for this community and their partnership with the City, I think they're great. I utilize the facilities down there, they're wonderful. I think we need to assist in this. I'm a little hesitant that going up to a certain amount, are we circumventing the rules that were set up for this council to follow. By not getting an appraisal and I don't know that that looks great and I question that as well as for the reasons Renee pointed out and Juanita both. I think we need to acquire it and we need to assist at whatever level is appropriate for us to do. I think it's a key part to our City and to our downtown area and I'm for getting it and helping out. I just want to do it within the rules.

Kabrick said, although you haven't taken a vote yet, it appears that the majority of the council members are satisfied that \$200,000 would be an appropriate level of contribution for the City. So, I will take it as my job after this meeting, if that's what you all vote on, to contact, again, the State Board of Accounts and whomever else or wherever else I need to investigate, to get to you, what I consider to be the best options for the City, for ROJAC with the goal in mind, getting that property and be able to proceed with the project at the \$200,000 level.

Council member Thomas Schmidt then asked if anyone from the public had a comment.

Nancy Eckerle, a private citizen, commented that there is \$800,000 sitting in the River Boat Fund with no plan on how to spend it. A project like this comes up and to appropriate \$200,000 of that with basically no plan in place. That really concerns me. The council should be planning better on how to spend that money and maybe planned that several years back. Why wasn't it used to buy the Country Club property? She then asked where we are with the sale of the properties to replace the Country Club money. She said she is concerned with

removing so many properties from the property tax rolls. She said she is on the ROJAC board. Great we're developing all that but we're continually removing properties like Country Club, Central Green, the whole ROJAC area from the property tax rolls.

Eckerle also said the former Jasper Cabinet building is an eyesore. That's more of a concern than buying the Chris Peters' property. The Wood Products property is also an eyesore. I would be calling to complain every day if I were in that neighborhood.

City Attorney Renee Kabrick said we have a meeting coming up with Mr. Fuhs. Kabrick also said we did have a piece of special legislation pass recently that has to do with that area so the owner of that property could convert the upper two floors into either apartments, condominiums, hotels, something like that. Kabrick also said we are making strides with the Downtown River Front Master Plan and with the Jasper Country Club plan.

Bill Schmitt, private citizen, said I want to commend this administration for having \$800,000 that is not planned for and that it can be used for pieces of improvement for the City, just like this one. Planning is having a good solid bank account where you can do things. Look out in Oklahoma. \$800,000 is not going to go far when a tornado hits you so having \$800,000 to make improvements in the City, as they come up because you never know which projects are going to come up and where you're going to need this money. So, I think this Council and this administration has done good planning and the Clerk Treasurer's office has done good planning by having money setting aside for projects such as what ROJAC is trying to do and help this community. I don't think that you want to have a plan that you spend every cent that you take in. If you buy this property it's going to be a big improvement and not just for the Downtown Merchants.

A **motion** was made by Council member Kevin Manley and seconded by Council member David Prechtel that the City contribute up to or \$200,000 for the purchase of the Chris Peters' property, based on the findings that Renee finds with the State Board of Accounts and any other organization she needs to speak with. Motion carried 6-0.

**Adjournment.** There being no further business to come before the board, a motion was made by Council member Randall Buchta and seconded by Council member Earl Schmitt to adjourn the meeting. The motion carried 6-0 and the special meeting adjourned at 12:33 p.m.

The minutes were hereby approved \_\_\_\_\_ with   X   without corrections or clarification this 17<sup>th</sup> day of July, 2013.

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**Mayor Terry Seitz**

**Attest:** \_\_\_\_\_  
**Juanita S. Boehm, Clerk-Treasurer**